2024 Letter to Shareholders

THE HARTFORD

APRIL 2024

CHRISTOPHER J. SWIFT
CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

Dear Fellow Shareholders,

For more than 200 years, customers have trusted The Hartford to provide the support and protection they need to pursue their unique ambitions, seize opportunity and prevail through unexpected challenge. Today, outstanding underwriting and pricing execution, exceptional talent and innovative customer-centric technology drive our company's performance, reflecting a decade of investments that transformed our capabilities. With each consecutive quarter of industry-leading financial results, The Hartford stands out as a consistent, proven performer. Our agility and adaptability fuel our reputation as a market leader and value creator.

I am energized by the future and confident as we pursue our ambitious growth agenda. In short – **at The Hartford, this is our time.**

In 2023, we delivered:

- Full year net income available to common stockholders of $2.5 billion ($7.97 per diluted share)
- Full year core earnings[1] of $2.8 billion ($8.88 per diluted share[1])
- Net investment income of $2.3 billion, before tax
- Net income ROE for the year of 17.5%
- Core earnings ROE[1,2] for the year of 15.8%
- Book value per diluted share of $49.43
- Book value per diluted share (ex. AOCI)[1] of $58.83

[1] Denotes financial measure not calculated based on GAAP.
[2] Return on common stockholders' equity.

THE HARTFORD

BUSINESS HIGHLIGHTS

Throughout The Hartford, more than 18,000 employees are moving with pace and purpose, and leveraging expertise, assets and capabilities across business lines to deliver a seamless and consistent experience to distribution partners and customers. Performance across our existing offerings is strong and our teams continue to build new capabilities that further modernize product and platform solutions and extend our appetite. Our partners cite The Hartford's state-of-the-art technology and data capabilities, unique digital tools, best-in-class talent and strong innovation agenda as reasons to grow their business with us.

PROPERTY & CASUALTY

In 2023, The Hartford's Commercial Lines organization completed its third straight year of double-digit top-line growth and margin expansion. Written premium grew 10% for the year, driven by meaningful exposure growth, pricing increases across most lines and strong new business growth.

While the personal lines market remains broadly challenging, we are pleased with our progress toward offsetting loss cost trends in both home and auto. By year-end, we rolled out our Prevail product in 39 states, offering a modern and innovative digitally enhanced platform that elevates our position in a competitive segment.

GROUP BENEFITS

The Hartford's Group Benefits business delivered strong performance in 2023, with fully insured ongoing premium growth of 7%, and an outstanding net income margin of 7.7% with a core earnings margin[1] of 8.1%, both above our long-term target of 6-7%. Net income and core earnings increased over the prior year, reflecting improved mortality trends and continued strong disability results.

HARTFORD FUNDS

Hartford Funds continues to expand its product offerings to meet changing investor demands, including new ETF options and a sustainable product set. Net income increased over prior year primarily from net realized gains on investments, while core earnings were lower than prior year primarily due to lower fee income (net of variable expenses) driven by a decrease in daily average assets under management.

STRATEGY & PRIORITIES: CREATING VALUE FOR ALL STAKEHOLDERS

The Hartford's strategic pillars position us to create value for all stakeholders, now and in the future.

- Advancing leading underwriting capabilities across our portfolio to offer expanded products and services.
- Embracing a culture of growth, innovation and cross-enterprise collaboration.
- Emphasizing digital capabilities and data science that enhance the customer experience and improve underwriting and claims decision making.
- Maximizing distribution channels and product breadth to increase market share.
- Optimizing organizational efficiency with a focus on continuous improvement.
- Balancing use of excess capital for growth initiatives, investments in the business and return to stockholders through dividends and share repurchases.
- Continuing to advance sustainability leadership and invest in skills like analytics and artificial intelligence (AI) to attract and retain top talent and enhance shareholder value.

[1] Denotes financial measure not calculated based on GAAP.

In a marketplace where customers have many options, The Hartford holds a strong competitive position. The breadth and depth of our product offerings, supported by an expert team of underwriting and claims professionals, enables us to deliver outstanding business outcomes. Our investment portfolio is well-positioned to support our financial and strategic objectives. We are committed to extending our competitive advantage and to capturing market share while delivering industry-leading ROEs.

LEADING U.S. MARKET POSITIONS

Leader - P&C Small Commercial

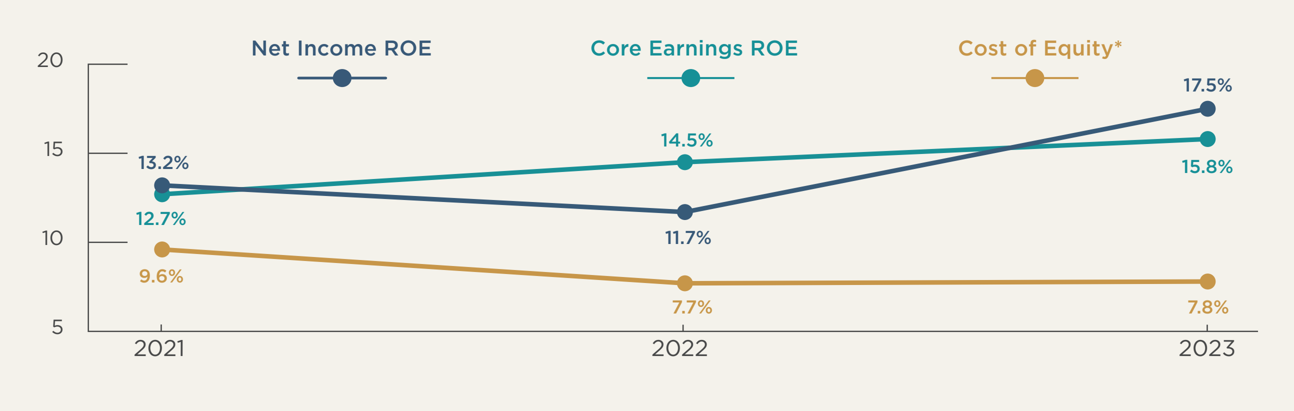
#1 - Fully insured disability inforce[3]

#1 - Fully insured disability sales[3]

#2 - Workers' compensation insurer, based on direct written premiums[4]

#3 - Combined fully insured life and disability inforce[3]

#5 - Commercial multi-peril carrier, based on direct written premiums[4]



ECONOMIC AND INDUSTRY PERSPECTIVES

The Hartford continues to successfully execute our strategy, delivering superior returns for our shareholders in a complex operating environment. Economic uncertainty, changing weather patterns, increased cyber threats and regulatory, social and political pressures contributed to a challenging backdrop throughout 2023, and we expect those pressures to continue in 2024.

ECONOMIC DRIVERS

As the nation's leading workers' compensation and disability insurer, we are encouraged by strong employment numbers in 2023 and the pace of U.S. business formation, which is still well above pre-COVID levels. Low unemployment, wage increases and strong payrolls have supported robust consumer spending, which has fueled economic growth. While economic uncertainty is expected to continue in 2024, we believe the U.S. economy will continue to expand, with inflation forecasted to moderate further and employment remaining at healthy levels. This is a constructive backdrop for our business.

* Cost of equity calculated using: (i) risk-free rate based on yield of a 10-year U.S. Treasury Bond, (ii) historical data based on weekly returns and two-year time horizon, and (iii) U.S. equity risk premium based off arithmetic mean of U.S. historical equity risk premium data from Kroll.

[3] LIMRA: Year-end 2022 Survey.
[4] S&P Global Data, 2022.

ARTIFICIAL INTELLIGENCE

Rapid advances in AI likely will shift competitive dynamics among insurers over the next decade. Those that pivot to a responsible AI-led transformation and use it to reimagine their end-to-end customer and employee journeys will gain a significant competitive edge. AI will yield data-driven decisions with privileged, proprietary insights, support growth through innovative customer- and broker-facing experiences and bend the cost curve by driving operational efficiency across the value chain.

We are building on a strong foundation in AI and machine learning to begin responsibly using Generative AI (Gen AI) in select underwriting, claims and software development experiments. Through significant investments in AI and machine learning technologies over several years, we deployed hundreds of best-in-class models that our businesses and functions use to increase customer satisfaction, enhance stakeholder productivity and sharpen our competitive advantage.

CLIMATE CHANGE RISK

Extreme weather caused by climate change significantly impacts people's lives and livelihoods. Our risk team collaborates with industry experts to understand changing weather patterns, analyze trends and incorporate climate data into our underwriting tools. Combined with our strong underwriting expertise, this approach strengthens our portfolio's resilience and helps us provide customers with valuable advice as natural disasters increase in frequency and severity.

REGULATORY ENVIRONMENT

At its core, insurance is about matching price to risk as we protect individuals and businesses in a complex and uncertain world. Our industry always has faced constraints in optimizing that equation, but today's regulatory landscape is more difficult than ever to navigate. Layers of regulation – especially those based on misunderstanding or mischaracterization – stifle innovation and can ultimately lead to unfavorable outcomes for insurers and customers alike. To preserve competitiveness and choice, regulators must strike a reasonable balance between protecting consumers and ensuring a strong and solvent insurance industry.

LEGISLATIVE ENVIRONMENT

An increasingly polarized political environment has yielded public policy that is subject to volatility and gridlock, creating uncertainty for businesses of all sizes. In contrast, policy arising from bipartisan lawmaking tends to endure across election cycles, enabling companies to serve their stakeholders' interests more consistently and predictably. The Hartford continues to work closely with regulators and lawmakers to promote collaboration and stability that fosters growth and leverages the power of private competitive markets and free enterprise.

LEGAL SYSTEM ABUSE REFORM

In addition to fair regulation and stable policy, insurers depend on a fair and effective legal system. Yet, over the past decade, our legal system has been undermined by unfair practices. Litigants on all sides deserve a level playing field, where plaintiffs must prove that a defendant's product or wrongdoing caused them injury, and where damages are based on the true cost of an injury and not used to "send a message" to corporate America. Additionally, defendants should know if a plaintiff's claim is being funded by an outside investor as well as the identity and the terms of their investment. We are committed to working with policymakers to enact common sense reforms to reduce legal system abuse that elevates costs for insurers and their customers.

SUSTAINABILITY: PROGRESSING WITH PURPOSE

Throughout our 213-year history, we have leveraged our strengths to do well and do good. Embedded within our purpose – Underwriting Human Achievement[5] – is a commitment to make a positive difference for the people and businesses we insure while creating shareholder value. Our sustainability approach positions us to seize economic opportunities and navigate emerging risks in a rapidly changing society and provide the critical support needed for our customers and communities to thrive. We were recently honored as the No. 1 insurance company on America's Most 'JUST' companies list[6] by JUST Capital and CNBC for our efforts to cultivate sustainable business practices and operate with integrity, marking the sixth consecutive year we have been included in the JUST 100.

SUPPORTING RESILIENCY AND ENTREPRENEURSHIP FOR OUR CUSTOMERS AND COMMUNITIES

Everything we do centers around the achievement of others.[7] The Hartford continues to advance social equity through partnerships with organizations that help people overcome barriers to success that stem from physical and mental health, socio-economic and racial inequities. Employees enhance The Hartford's impact in our local communities by embracing paid time off to volunteer and increasing support of their favorite causes through a robust matching gifts program.

Our commitment to resiliency and entrepreneurship is embedded in our products and services. For businesses of all sizes, our workers' compensation and disability insurance lines help protect businesses and their employees by restoring workers' health and livelihoods. In addition, as the leading small business insurer we appreciate the important role that small businesses play in their local communities. The data and insights gathered over 40 years of serving small business owners across the U.S. enables us to anticipate and meet their unique needs.

IMPROVING HEALTH AND WELL-BEING

Throughout the broader economy, future performance depends on meaningful action today to support workers' mental health. In 2024, we will further support the newest cohort of U.S. workers[8] by increasing educational resources and events for students and young adults. In addition, we will continue to provide employers with data, strategies and resources to improve workers' recovery outcomes and to help foster inclusive workplaces across the country that change the stigma around mental health.

The Hartford is proud to have earned the prestigious Business Group on Health Best Employers: Excellence in Health & Well-being Award[9] for our commitment to advancing employee well-being through inclusive benefits and initiatives.

DELIVERING INCLUSIVE GROWTH

Diverse perspectives help us innovate, take risks and creatively uncover opportunities to achieve better business outcomes. The Hartford stands firm in our commitment to foster an inclusive workplace[10] through increased leader accountability and inclusive capabilities, rigorous in-house and industry talent development, and supplier diversity strategies. We also stand firm in advocating for inclusive language and behaviors at all levels, because divisive, hateful speech and actions have no place in our company or a civil society.

[5] https://www.TheHartford.com/about-us
[6] https://newsroom.TheHartford.com/newsroom-home/news-releases/news-releases-details/2024/The-Hartford-Named-No.-1-Insurer-On-List-Of-Americas-Most-JUST-Companies/default.aspx
[7] https://www.TheHartford.com/about-us/communities-giving
[8] https://newsroom.TheHartford.com/newsroom-home/news-releases/news-releases-details/2023/The-Hartfords-New-Research-Finds-Next-Gen-Workers-Are-Most-in-Need-of-Mental-Health-Support-Least-Likely-to-Feel-Their-Employers-Care/default.aspx
[9] https://newsroom.TheHartford.com/newsroom-home/recognition/recognition-details/2023/The-Hartford-Named-A-2023-Best-Employer-For-Excellence-In-Health--Well-being/default.aspx
[10] https://www.TheHartford.com/about-us/corporate-diversity

Our whole-company approach to diversity, equity and inclusion (DEI) includes active participation in CEO Action for Racial Equity (CEOARE).[11] The Hartford's commitment includes appointing two employees as Fellows where they work to advance racial equity through public policy and corporate engagement strategies. In 2023, I was honored to speak at the annual Catalyst Awards event where The Hartford was recognized for driving representation and inclusion for women in corporate leadership positions.[12] I also participated in a CEO panel discussion on the importance of DEI at the Hispanic Association on Corporate Responsibility's[13] 2023 Symposium and continued to serve as a CEOARE governing committee member.

ADVANCING THE ENERGY TRANSITION AND REDUCING EMISSIONS

The global energy transition is poised to be the most significant capital reallocation in our lifetimes, with trillions of dollars earmarked for investment in decarbonization technologies and renewables over the next decade alone. The insurance industry will play a significant role by developing product solutions to support renewable energy and decarbonization, and by minimizing our own carbon footprint.[14] The Hartford is determined to use our resources responsibly and take advantage of these opportunities to create stakeholder value. We offer specially designed renewable energy products that provide end-to-end coverage for the solar, wind, fuel cell and biomass industries, and we continue to actively develop new products and expanded capabilities that will be required of the insurance market to support massive public and private investment in the energy transition.

PUTTING CUSTOMERS FIRST WITH INSIGHT-LED PRODUCTS AND EMPATHETIC, HIGH-QUALITY SERVICE

Growing customer expectations require an innovative mindset and a sustained commitment to continuous improvement. Our proprietary data and insights help our business customers improve worker health and safety by preventing and mitigating risks. We continue to modernize our applications, infrastructure and data, leveraging cloud technology[15] as we develop new ways of thinking and doing business that will drive efficiencies and help us better serve more customers. For example, in Group Benefits, we partnered with Beam,[16] a dental and vision company, to expand our product offerings for small to mid-size employers to better meet their needs. Across Personal Lines, we built the Prevail platform to simplify the buying process.

[11] https://www.ceoaction.com/racial-equity/

[12] https://newsroom.TheHartford.com/newsroom-home/news-releases/news-releases-details/2023/2023-Catalyst-Award-Winners-to-Be-Honored-at-Annual-DEI-Conference--Dinner/default.aspx

[13] https://hacr.org/about-us/

[14] https://www.TheHartford.com/about-us/environment

[15] https://newsroom.TheHartford.com/newsroom-home/news-releases/news-releases-details/2023/The-Hartford-Launches-New-Digital-Submission-Capabilities-For-Agents-And-Brokers-Of-Midsize-And-Large-Accounts/default.aspx

[16] https://newsroom.TheHartford.com/newsroom-home/news-releases/news-releases-details/2023/The-Hartford-Enhances-Employee-Benefits-For-Small-Businesses-Through-New-Relationship-With-Beam-Benefits/default.aspx

ATTRACTING, ENGAGING AND RETAINING TOP TALENT

Our growth-oriented strategy and the investments we've made over the last decade have tremendously enhanced our competitiveness. However, people remain the engine driving The Hartford's results – and I am grateful every day for the exceptional employees who turn our potential into performance. The Hartford remains a destination of choice for our industry's best talent, as evidenced by the top quartile employee engagement scores we have sustained for seven years. We are also proud to be on Computerworld's "2024 Best Places to Work in IT" list, ranked seventh overall among large companies, and also second for DEI and seventh for Employee Engagement.[17] State-of-the-art technology and tools, along with a culture that encourages innovation and experimentation, allow our best-in-class workforce to learn, grow and remain at the leading edge of their professions. Our emphasis on talent as a strategic priority also influences our university partnerships as we attract and grow a new generation of future leaders.

We also have taken an intentional approach to leadership succession, which enabled us to prepare for planned senior leader retirements announced late last year. Thanks to The Hartford's robust talent pipeline, we were able to appoint internal successors[18] who are well-positioned to succeed in their new roles. The resulting strategic continuity, strong internal relationships and deep organizational insights contribute to operational strength, stability and sustainability.

EMBOLDENING A VIBRANT FUTURE FOR ALL STAKEHOLDERS

Success over more than two centuries depends on the vision to unlock opportunity arising from change. By relentlessly focusing on creating sustainable value for our stakeholders, The Hartford is turning ambition into achievement through transformative investments that foster outperformance and differentiation. As we address more customer needs, responsibly infuse data, analytics and technology throughout our value chain, and augment our workforce with the tools and expertise needed to achieve our aspirations, I am confident the best is yet to come – for our company, and for the people and businesses who put their trust in us.

Thank you for your continued support of The Hartford.

Sincerely,

Christopher J. Swift

Christopher J. Swift
Chairman and Chief Executive Officer
The Hartford

[17] https://www.computerworld.com/article/3710492/computerworld-best-places-to-work-in-it-2024.html

[18] https://newsroom.TheHartford.com/newsroom-home/news-releases/news-releases-details/2023/The-Hartford-Announces-Leadership-Changes/default.aspx

DISCUSSION OF NON-GAAP FINANCIAL MEASURES.

The Hartford uses non-GAAP financial measures in this letter to assist investors in analyzing the Company's operating performance for the periods presented herein. Because The Hartford's calculation of these measures may differ from similar measures used by other companies, investors should be careful when comparing The Hartford's non-GAAP financial measures to those of other companies. Definitions and calculations of non-GAAP and other financial measures used in this letter can be found below and in The Hartford's Investor Financial Supplement for the fourth quarter of 2023, which is available on The Hartford's website, https://ir.thehartford.com.

A quantitative reconciliation of net income margin to core earnings margin for Group Benefits is not calculable on a forward-looking basis because it is not possible to provide a reliable forecast of realized gains and losses, which typically vary substantially from period to period.

Certain statements made in this letter should be considered forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. These include statements about The Hartford's future results of operations. We caution investors that these forward-looking statements are not guarantees of future performance, and actual results may differ materially. Investors should consider the important risks and uncertainties that may cause actual results to differ, including those discussed in our 2023 Annual Report on Form 10-K, subsequent Quarterly Reports on Forms 10-Q, and other filings we make with the U.S. Securities and Exchange Commission. We assume no obligation to update this letter, which speaks as of today's date.

From time to time, The Hartford may use its website to disseminate material company information. Financial and other important information regarding The Hartford is routinely accessible through and posted on our website at https://ir.thehartford.com. In addition, you may automatically receive email alerts and other information about The Hartford when you enroll your email address by visiting the "Email Alerts" section at https://ir.thehartford.com.

Core earnings – The Hartford uses the non-GAAP measure core earnings as an important measure of the Company's operating performance. The Hartford believes that core earnings provides investors with a valuable measure of the performance of the Company's ongoing businesses because it reveals trends in our insurance and financial services businesses that may be obscured by including the net effect of certain items. Therefore, the following items are excluded from core earnings:

- Certain realized gains and losses - Generally realized gains and losses are primarily driven by investment decisions and external economic developments, the nature and timing of which are unrelated to the insurance and underwriting aspects of our business. Accordingly, core earnings excludes the effect of all realized gains and losses that tend to be highly variable from period to period based on capital market conditions. The Hartford believes, however, that some realized gains and losses are integrally related to our insurance operations, so core earnings includes net realized gains and losses such as net periodic settlements on credit derivatives. These net realized gains and losses are directly related to an offsetting item included in the income statement such as net investment income.
- Restructuring and other costs - Costs incurred as part of a restructuring plan are not a recurring operating expense of the business.
- Loss on extinguishment of debt - Largely consisting of make-whole payments or tender premiums upon paying debt off before maturity, these losses are not a recurring operating expense of the business.
- Gains and losses on reinsurance transactions - Gains or losses on reinsurance, such as those entered into upon sale of a business or to reinsure loss reserves, are not a recurring operating expense of the business.

- Integration and other non-recurring M&A costs - These costs, including transaction costs incurred in connection with an acquired business, are incurred over a short period of time and do not represent an ongoing operating expense of the business.
- Change in loss reserves upon acquisition of a business - These changes in loss reserves are excluded from core earnings because such changes could obscure the ability to compare results in periods after the acquisition to results of periods prior to the acquisition.
- Deferred gain resulting from retroactive reinsurance and subsequent changes in the deferred gain - Retroactive reinsurance agreements economically transfer risk to the reinsurers and excluding the deferred gain on retroactive reinsurance and related amortization of the deferred gain from core earnings provides greater insight into the economics of the business.
- Change in valuation allowance on deferred taxes related to non-core components of before tax income - These changes in valuation allowances are excluded from core earnings because they relate to non-core components of before tax income, such as tax attributes like capital loss carryforwards.
- Results of discontinued operations - These results are excluded from core earnings for businesses sold or held for sale because such results could obscure the ability to compare period over period results for our ongoing businesses.

In addition to the above components of net income available to common stockholders that are excluded from core earnings, preferred stock dividends declared, which are excluded from net income, are included in the determination of core earnings. Preferred stock dividends are a cost of financing more akin to interest expense on debt and are expected to be a recurring expense as long as the preferred stock is outstanding.

Net income (loss) and net income (loss) available to common stockholders are the most directly comparable U.S. GAAP measures to core earnings. Core earnings should not be considered as a substitute for net income (loss) or net income (loss) available to common stockholders and does not reflect the overall profitability of the Company's business. Therefore, The Hartford believes that it is useful for investors to evaluate net income (loss), net income (loss) available to common stockholders, and core earnings when reviewing the Company's performance. A reconciliation of net income available to common stockholders to core earnings is set forth below.

YEAR ENDED DECEMBER 31, 2023		
Net income available to common stockholders	**$**	**2,483**
Adjustments to reconcile net income available to common stockholders to core earnings:		
Net realized losses excluded from core earnings, before tax		$152
Restructuring and other costs, before tax		6
Integration and other non-recurring M&A costs, before tax		8
Change in deferred gain on retroactive reinsurance, before tax		194
Income tax benefit		(76)
Core earnings		**$2,767**

Core Earnings Per Diluted Share

This non-GAAP per share measure is calculated using the non-GAAP financial measure core earnings rather than the GAAP measure net income. The Company believes that core earnings per diluted share provides investors with a valuable measure of the Company's operating performance for the same reasons applicable to its underlying measure, core earnings. Net income (loss) available to common stockholders per diluted common share is the most directly comparable GAAP measure. Core earnings per diluted share should not be considered as a substitute for net income (loss) available to common stockholders per diluted common share and does not reflect the overall profitability of the Company's business. Therefore, the Company believes that it is useful for investors to evaluate net income (loss) available to common stockholders per diluted common share and core earnings per diluted share when reviewing the Company's performance. A reconciliation of net income available to common stockholders per diluted share to core earnings per diluted share is set forth below.

YEAR ENDED DECEMBER 31, 2023	
Net income available to common stockholders per diluted share	**$7.97**
Adjustments made to reconcile net income available to common stockholders per diluted share to core earnings per diluted share:	
Net realized losses, excluded from core earnings, before tax	0.49
Restructuring and other costs, before tax	0.02
Integration and other non-recurring M&A costs, before tax	0.03
Change in deferred gain on retroactive reinsurance, before tax	0.62
Income tax benefit on items excluded from core earnings	(0.25)
Core earnings per diluted share	**$8.88**

Core Earnings Return on Equity

The Company provides different measures of the return on stockholders' equity (ROE). Core earnings ROE is calculated based on non-GAAP financial measures. Core earnings ROE is calculated by dividing (a) the non-GAAP measure core earnings for the prior four fiscal quarters by (b) the non-GAAP measure average common stockholders' equity, excluding AOCI. Net income ROE is the most directly comparable U.S. GAAP measure. The Company excludes AOCI in the calculation of core earnings ROE to provide investors with a measure of how effectively the Company is investing the portion of the Company's net worth that is primarily attributable to the Company's business operations. The Company provides to investors return on equity measures based on its non-GAAP core earnings financial measure for the reasons set forth in the core earnings definition. A reconciliation of net income ROE to core earnings ROE is set forth below.

LAST TWELVE MONTHS ENDED DECEMBER 31,	2023	2022	2021
Net income ROE	17.5%	11.7%	13.2%
Adjustments to reconcile net income ROE to core earnings ROE:			
Net realized losses (gains), excluded from core earnings, before tax	1.1%	4.1%	(2.8%)
Restructuring and other costs, before tax	—%	0.1%	—%
Loss on extinguishment of debt, before tax	—%	0.1%	—%
Integration and other non-recurring M&A costs, before tax	0.1%	0.1%	0.3%
Change in deferred gain on retroactive reinsurance, before tax	1.4%	1.5%	1.4%
Income tax expense (benefit) on items not included in core earnings	(0.5%)	(1.3%)	0.2%
Impact of AOCI, excluded from denominator of core earnings ROE	(3.8%)	(1.8%)	0.4%
Core earnings ROE	**15.8%**	**14.5%**	**12.7%**

Book Value Per Diluted Share (excluding AOCI)

This is a non-GAAP per share measure that is calculated by dividing (a) common stockholders' equity, excluding AOCI, after tax, by (b) common shares outstanding and dilutive potential common shares. The Company provides this measure to enable investors to analyze the amount of the Company's net worth that is primarily attributable to the Company's business operations. The Company believes that excluding AOCI from the numerator is useful to investors because it eliminates the effect of items that can fluctuate significantly from period to period, primarily based on changes in interest rates. Book value per diluted share is the most directly comparable U.S. GAAP measure. A reconciliation of book value per diluted share to book value per diluted share, excluding AOCI, is set forth below.

AS OF DECEMBER 31, 2023	
Book value per diluted share	**$49.43**
Per diluted share impact of AOCI	9.40
Book value per diluted share (excluding AOCI)	**$58.83**

Core earnings margin - The Hartford uses the non-GAAP measure core earnings margin to evaluate, and believes it is an important measure of, the Group Benefits segment's operating performance. Core earnings margin is calculated by dividing core earnings by revenues, excluding buyouts and realized gains (losses). Net income margin, calculated by dividing net income by revenues, is the most directly comparable U.S. GAAP measure. The Company believes that core earnings margin provides investors with a valuable measure of the performance of Group Benefits because it reveals trends in the business that may be obscured by the effect of buyouts and realized gains (losses) as well as other items excluded in the calculation of core earnings. Core earnings margin should not be considered as a substitute for net income margin and does not reflect the overall profitability of Group Benefits. Therefore, the Company believes it is important for investors to evaluate both core earnings margin and net income margin when reviewing performance. A reconciliation of net income margin to core earnings margin is set forth below.

YEAR ENDED DECEMBER 31, 2023	
Net income margin	**7.7%**
Adjustments to reconcile net income margin to core earnings margin:	
Net realized losses, before tax	0.4%
Integration and other non-recurring M&A costs, before tax	0.1%
Income tax benefit	(0.1)%
Core earnings margin	**8.1%**

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Business Insurance
Employee Benefits
Auto
Home

Printed on McCoy Silk Text.